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Letter No. 2181

September 20, 1984

FmHA PROGRAMS
MODIFIED

On Sept. 18, President Reagan directed Sec'y of Agric. John Block to modify existing farm lending programs to provide additional assistance to farmers and ranchers with severe financial problems. The President asked that the Farmers Home Administration:

- . Make available to farmers and ranchers additional financial and production management guidance;
- . Use non-government lenders to help the FmHA handle agricultural loans; and
- . Work with private lenders to assist individual farm borrowers to restructure their indebtedness. This includes a number of options involving the use of loan guarantees and the deferral of a portion of principle without interest on certain existing FmHA loans.

These tools can be used as needed as a case-by-case basis.

Sec'y Block said these changes will allow farm borrowers who are good managers to restructure their farm debt in such a way that they can stay in business.

ADVANCE
DEFICIENCY
PAYMENTS

According to Sec'y of Agric. John Block, farmers who participate in the 1985 feed grain, cotton and rice programs announced on Sept. 14 and the 1985 wheat program announced June 14, will be eligible for advance deficiency payments. At the time they sign up, producers may request 50 pct. of their projected 1985 deficiency payment and 50 pct. of land diversion payments in those programs where land diversion payments are provided. Signup for all programs will be Oct. 15 through Mar. 1.

1985
FEED GRAIN
PROGRAM

Sec'y of Agric. John Block announced a 10 pct. acreage reduction requirement for participants in the 1985 feed grain program. Signup period for the feed grain program will be Oct. 15 through Mar. 1. Producers may request 50 pct. of their projected 1985 deficiency payments when they sign up. USDA estimates per bushel deficiency payment rates will be: Corn, 47 cents; sorghum, 46 cents; barley, 44 cents; and oats, 0 cents. Advance deficiency payments to eligible farmers will be half these rates. Price support loan and purchase rates and target prices will be the same as in effect for the 1984 crops.

1984/85
SUGAR IMPORT
QUOTA

The U.S. sugar import quota for the 1983 quota year--Oct. 1-Sept. 30--will be 2,552,000 short tons, raw value, according to Sec'y of Agriculture John R. Block. If unforeseen developments occur, authority exists for changing the quota.

1985 EXTRA LONG
STAPLE COTTON
PROGRAM

Sec'y of Agric. John Block announced a 10 pct. acreage reduction program for the 1985 crop of extra long staple cotton. Program signup will be Oct. 15 through Mar. 1. To be eligible for price support benefits, farmers may plant no more than 90 pct. of their established acreage base. A number of acres equal to 11.11 pct. of the acres planted must be devoted to an acreage conservation reserve. The ELS cotton loan rate will be 150 pct. of the loan rate for upland cotton, to be determined after Oct. 15. The minimum ELS cotton loan rate and target price at 82½ and 99 cents per pound.

1985 UPLAND
COTTON PROG.

Sec'y of Agric. John Block announced a 20 pct. acreage reduction program and a 10 pct. paid land diversion program for the 1985 crop of upland cotton. Sign-up will be Oct. 15 through Mar. 1. Producers may request 50 pct. of their projected 1985 deficiency payments and 50 pct. of their 1985 diversion payments when they sign up. USDA estimates the deficiency payment rate of 19.8 cents per pound. Advance payments to eligible farmers will be half that rate. The land diversion payment rate is 30 cents per pound. Advance payments will be half of the diversion payment.

1985
RICE
PROGRAM

The 1985 rice program includes a 20 pct. acreage reduction and a 15 pct. paid land diversion, as announced by Sec'y of Agric. John Block. Signup period will be Oct. 15 through Mar. 1. Producers may request 50 pct. of their projected 1985 deficiency payments and 50 pct. of their 1985 diversion payments when they sign up. USDA estimates the deficiency payment rate as \$3.80 per hundredweight. Advance deficiency payments to eligible farmers will be half this rate. The land diversion payment rate is \$3.50 per hundredweight. Advance diversion payments will be half the diversion payment.

FCIC
CONFERENCE
IN NASHVILLE

Frank Naylor, Under Sec. of Agric. for Small Community and Rural Development; Merritt Sprague, Manager, Fed. Crop Insurance Corp.; and members of the FCIC board of directors will discuss the federal crop insurance program and the new actual production history program on Tues., Oct. 2, at the Holiday Inn, Briley Parkway in Nashville, Tenn. Naylor will hold a press conference at 2 p.m. Sec'y John Block will be the keynote speaker at a banquet in the ballroom of the Holiday Inn at approximately 8 p.m.

RECORD
EC/WHEAT
HARVEST

The European Community (EC) is facing a record wheat harvest of more than 72 million tons, compared with 59 million in 1983/84, according to the U.S. Department of Agriculture. This will strain domestic utilization plans and intensify pressure to export much of the surplus. In recent months the EC soft wheat export subsidy has dropped from \$40-\$50 per ton to virtually nothing as the dollar has strengthened and the gap between EC and world market prices disappeared. The EC could export some 5-10 million tons.

U.S. COTTON
EXPORTS

U.S. cotton exports increased sharply during 1983/84 to \$2.4 billion, a near-record level exceeded only in the 1979/80 marketing year, according to the U.S. Department of Agriculture. Export volume was also up substantially at 6.8 billion bales, 30 pct. above the 1982/83 total of 5.2 million bales. Preliminary 1984/85 forecasts are for brisk shipments during the fall months, but strong foreign competition when abundant 1984/85 foreign crops are harvested. U.S. 1984/85 exports are forecast at 6.1 million bales.

FROM OUR TELEVISION
SERVICE

"1985 Feed Grain Program"...Orville Overboe with USDA's Agricultural Stabilization and Conservation Service talks about the major features of the 1985 feed grain program. Jim Johnson interviews. (211)

"1985 Rice Program"...George Schaefer with USDA's Agricultural Stabilization and Conservation Service focuses on provisions for the 1985 rice program. Jim Johnson interviews. (212)

"Florida Citrus Canker"...Bill Helms with USDA's Animal and Plant Health Inspection Service comments on the recent outbreak of citrus canker in Florida and steps being taken by the Department to stop the spread of this disease. DeBoria Janifer interviews. (213)

"Toxoplasmosis in Sheep"...USDA microbiologist Dr. Jitender Dubey takes a look at toxoplasmosis--a parasitic infection of sheep. DeBoria Janifer interviews. (214)

"Commercial Shipment of Papaya"...The U.S. Department of Agriculture recently approved a new nonchemical treatment that will allow commercial shipments of papaya to move from Hawaii to the mainland. Jim Fonds with USDA's Animal and Plant Health Inspection Service focuses on this recent action. Victor Powell interviews. (215)

USSR HARVEST
PROGRESS

In the USSR, the twelfth 1984 harvest progress report of the season stated that as of Sept. 10, some 94.3 million hectares of small grains and pulses had been cut, according to the U.S. Department of Agriculture. This compares with 100.8 million cut by Sept. 12 last year and 103.3 million by Sept. 13, 1982. Intermittent rains in European USSR were the reason for the slower pace of the harvest. USDA currently estimates Soviet harvested area at 115.7 million hectares for small grains and pulses and 4.3 million hectares of corn for grain.

U.S. AG
EXPORTS

U.S. agricultural exports were \$32.5 billion during Oct.-July of fiscal 1984, 11 pct. higher than the same period in fiscal 1983, according to the U.S. Department of Agriculture. The cumulative export volume through July of fiscal 1984 was 120.5 million tons, down 2 pct. from 123.1 million tons in fiscal 1983. U.S. agricultural imports through July were \$15.8 billion, 15 pct. above the 1983 level for the same time period. The resulting trade balance for ag. products for fiscal 1984 was \$16.7 billion for the first ten months of fiscal 1984.

CATTLE
ON FEED

Cattle and calves on feed Sept. 1 for slaughter market in the 7 States preparing monthly estimates totaled 6.75 million head, up 1 pct. from a year ago, but 1 pct. less than Sept. 1, 1982, according to the U.S. Department of Agriculture. Marketings of fed cattle during Aug. totaled 1.67 million, 1 pct. above last year but 1 pct. less than 2 yrs. ago. Placements of cattle and calves on feed in the 7 States during Aug. totaled 1.67 million, up 5 pct. from last year but 4 pct. less than Aug. 1982. Net placements of 1.60 million head during Aug. were 7 pct. more than last year but 4 pct. less than two years ago.

U.S. OILSEED &
PRODUCT EXPORTS

For fiscal 1984, U.S. oilseed and product exports are forecast to remain at last year's level of \$8.9 billion, according to the U.S. Department of Agriculture. U.S. export value of oilseeds and products during Oct.-July 1983/84 totaled \$8.1 billion, 7 pct. above the same period a year ago.

OFF MIKE

Busy week. Our radio crew (Brenda, Gary, Becky, Doug) caught themselves coming and going at times. Gary arranged for a live feed from the White House for President Reagan's announcement about the debt restructuring program. Everyone was involved in Sec'y Block's press conference an hour later. Becky got a comment from Sec'y Block about the nonimposition of steel quotas and higher tariffs. Anyone tapping our news line knows it was a busy time ... Larry Cooper is now at KOBQ, Yuba City, CA. He had been farm broadcaster at KROP, Brawley, CA ... Wayne Jenkins (Ag Day, Indianapolis IN) called to report Brian Baxter of the Ag Day staff received the American Society of Agriculture Engineers' Blue Ribbon Award for a farm safety series he had done with Bill Fields, Purdue University faculty. Wayne also passed on the fast-breaking news that he had spent the day at the Jackson Township Volunteer Fire Department Euchre Tournament. (For you younger readers, euchre is a card game.) His comment, after long hours of playing, "I won a dollar!" ... Bob Hollis dropped us a note of congratulations for achieving "chief" status ("What a relief to know it's no longer an act," was his comment) and to report he is now with WORX/WCJC, Madison, IN. He was at WSLM, Salem, IN ... Gary Truitt (Brownfield Network, Centertown, MO) is back from vacation. He and his wife took new daughter Ann Elizabeth (now over 6 weeks old) to visit grandparents. Gary's comment, "She's already reaching for things and learning to say, 'pork bellies' and 'futures market'." Incidentally, Brownfield Network received a Media Award for Agricultural Understanding from MFA Incorporated. The award was for the network's daily food consumer news program written and hosted by Gary ... Quick note from Layne Beaty (USDA Radio & TV Chief Emeritus) with copy of his Grange Newsletter for Farm Broadcasters. The newsletter contained a note about the fact that we will begin distributing our television programming materials via satellite October 1. More on this next week ... quick reminder. The Conservation Tillage conference is coming up, October 3-5 to be exact, at the Opryland Hotel, in Nashville, TN. Sec'y Block will give the keynote address at the opening luncheon, Oct. 3. It'll be 2½ days packed with information.

FROM OUR RADIO
SERVICE

AGRICULTURE USA #1425...(Weekly 13½ min documentary) Brenda Curtis explores the new farm debt restructuring plan recently announced by President Reagan.

AGRITAPE/FARM PROGRAM REPORT #1414...(Weekly reel of news features) USDA news highlights; New debt restructuring plan; Some announcements by Sec'y Block for World Food Day; 1985 cotton and rice program details; 1985 feed grain program details.

CONSUMER TIME. #907...(Weekly reel of five 2½-3 min features) Citrus outlook uncertain; What do we know about child nutrition?; Update on vegetable fuels; The selenium question; Fraud and automatic teller machines.

USDA RADIO NEWS SERVICE...Fri, Sept. 28, Livestock and poultry outlook; Agricultural prices; Mon, Oct. 1, Agricultural outlook report; Tues, Oct. 2, Crop and weather update. Dial the USDA National News Lines 202/488-8358 or 8359. All material changed at 5 p.m. EDT each working day.


JAMES L. JOHNSON
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